

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

MOHAMMED ALI RASHID,

Defendant.

No. 17-cv-8223 (PKC)

**DECLARATION OF COREY A.
SCHUSTER**

COREY A. SCHUSTER hereby declares under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct to the best of his knowledge, information and belief:

1. I serve as Assistant Director in the Asset Management Unit of the Division of Enforcement at the United States Securities and Exchange Commission (the “Commission”). I am a member in good standing of the bar of the District of Columbia. I make this declaration in support of the Commission’s opposition to Motion to Dismiss the Complaint filed by Plaintiff Mohammed Ali Rashid (“Rashid”) [D.E. 28, 29] on March 17, 2018.

2. Attached hereto as Exhibit 1 is a true and correct copy of an Excel spreadsheet (the “Master Spreadsheet”) that Rashid’s former counsel, Crowell & Moring LLP (“Crowell & Moring”) transmitted to Paul, Weiss, Rifkin, Wharton & Garrison LLP (“Paul Weiss”) and BDO USA, LLP (“BDO”) on August 2, 2013. The Commission originally obtained the Master Spreadsheet from Apollo Management LP (“Apollo”) pursuant to subpoena during the Commission’s pre-suit investigation of Rashid’s conduct. The Commission produced the Master Spreadsheet in discovery with the same Bates number designation as received from Apollo. (Apollo00043571.) Rashid produced a copy with the Bates number designation

RASHID00001907.

3. The Master Spreadsheet was integral to the Commission's drafting of the Complaint in this action. [D.E. 1.] It lists each individual expense item that Rashid submitted to Apollo for reimbursement from January 2010 to early June 2013. Based on investigation, it is the Commission's understanding that Rashid and his counsel were the persons who populated the entries in the "Expense Classification" column, and they did so after they had conducted a comprehensive review of expenses in May and June of 2013. The Complaint's averment that Rashid admitted to expensing approximately \$220,000 worth of personal expenses is based, in part, on the sum of the transaction amounts shown for the all the individual expense entries that Rashid and his counsel designated as "Personal" or "Partial Business Expense."

4. Attached hereto as Exhibit 2 is a true and correct copy of an email dated August 2, 2013 at 3:45 PM from Glen McGorty of Crowell & Moring to Sipoura Barzideh of Paul Weiss. The Commission originally obtained the email from Apollo pursuant to subpoena during the Commission's pre-suit investigation of Rashid's conduct and has produced the email in discovery with the same Bates number designation as received from Apollo. (Apollo00043568-70.) Rashid produced a copy with the Bates number designation RASHID00001904. The "master spreadsheet" referenced as an attachment to this email is the same spreadsheet referenced in paragraph 2 and 3.

5. Attached hereto as Exhibit 3 is a true and correct copy of an email dated August 1, 2013 at 11:33 AM from Glen McGorty of Crowell & Moring to Sipoura Barzideh of Paul Weiss. The Commission originally obtained the email from Apollo pursuant to subpoena during the Commission's pre-suit investigation of Rashid's conduct and has produced the email in discovery with the same Bates number designation as received from Apollo. (Apollo00042430-

32.) Rashid produced a copy with the Bates number designation RASHID00001900. The reference to “DRAFT spreadsheet” in the first paragraph of the email appears to be a reference to an attached draft of the Master Spreadsheet, created prior to Exhibit 1, being transmitted to Paul Weiss. In the second paragraph of the email, McGorty states “I will be meeting with Mr. Rashid later this afternoon and will continue on the outstanding projects including (1) providing trip summaries for each of the business trips taken during the period; and (2) reviewing and categorizing the expenses since April 2013.”

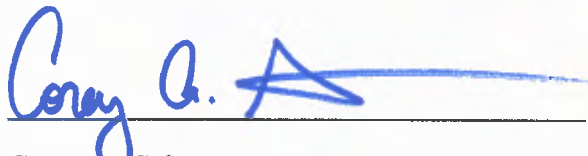
6. The subject line of both of the McGorty emails referenced in paragraphs 4 and 5 above refer to a “common interest privilege document.” Based on the Commission’s pre-suit investigation, the Commission asserts that no common interest agreement between Rashid and Apollo actually existed at any time, and that Apollo’s representatives so informed Rashid and his counsel at the time. The Commission understands that Apollo informed Rashid that any privilege belonged solely to Apollo, and that Apollo had the sole right to determine whether to waive any such privilege. The Commission will be prepared to address this evidentiary issue at the appropriate time.

7. Attached hereto as Exhibit 4 is a true and correct copy of a spreadsheet (the “BDO Spreadsheet”) that BDO prepared subsequent to its receipt of the Master Spreadsheet. The Commission originally obtained the email from BDO pursuant to subpoena during the Commission’s pre-suit investigation of Rashid’s conduct and has produced the email in discovery with the same Bates number designation as received from Apollo. (APOLLO00057863.) The BDO Spreadsheet was integral to the Commission’s drafting of the Complaint in this action. Based upon investigation, the Commission understands that, while the BDO Spreadsheet includes expense entries that had been previously designated in the Master

Spreadsheet as “Personal” expenses, BDO did not independently review those expenses. Instead, BDO reviewed only expenses that Rashid and Crowell had not already designated as “Personal” in the Master Spreadsheet. BDO’s determinations as to such expenses are set forth in the columns that appear under the “BDO Determinations” section of the BDO Spreadsheet. The column labeled “Support” reflects BDO’s findings based on review of Rashid’s original expense reports, his contemporaneous calendars and emails, American Express billing statements, travel agent correspondence and other materials.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed of this 2nd day of April, 2018.



Corey A. Schuster
Assistant Director